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BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

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August 20, 1999

OFFICE OF THE
EXECUTIVE SECRETARY

IN RE:

BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF FILING TO INTRODUCE BELLSOUTH
25¢ CALL PLAN SERVICE

DOCKET NO.
98-00307

REPORT AND RECOMMENDATION OF PRE-HEARING OFFICER

On April 29, 1998, BellSouth Telecommunications, Inc. ("BellSouth") filed its tariff to introduce a 25¢ Call Plan Service. On May 19, 1998 and again on August 18, 1998, the Directors, at regularly scheduled Authority Conferences on those dates, unanimously suspended this tariff for ninety (90) days. On September 30, 1998, BellSouth agreed to waive the six-month deadline to investigate this proposed tariff and issue a final order pursuant to T.C.A. § 65-5-203(b)(1), which delayed the tariff's proposed effective date indefinitely. By letter of June 3, 1999, BellSouth requested that the Authority establish a procedural schedule and set this matter for a hearing on the merits as soon as possible, which effectively put this tariff back "on notice."

During this time period, Petitions to Intervene were filed by and granted to AT&T Communications of the South Central States ("AT&T"), MCI Telecommunications Corporation, MCImetro Access Transmission Services, Inc. and Worldcom Technologies, Inc. (collectively, "MCI/WorldCom"), and Sprint Communications Company LP ("Sprint"). By letter of July 27, 1999, MCI/WorldCom requested to withdraw from this docket. At the Pre-Hearing Conference on July 27, 1999, Sprint announced that it will no longer be actively participating in this docket,

and is continuing its intervention for the limited purpose of receiving copies of the pleadings as well as to monitor the proceeding.

Pre-Hearing Conference

By letter from General Counsel Collier of July 7, 1999, BellSouth and all other parties were directed to file a Joint Matrix of Issues with the positions of each party set forth in the matrix, and were notified of a Pre-Hearing Conference scheduled for Tuesday, July 27, 1999. The Executive Secretary sent a notice of reminder on July 15, 1999 relative to such Pre-Hearing Conference. BellSouth filed the requested Joint Matrix of Issues on July 22, 1999. The Pre-Hearing Conference was held on July 27, 1999 before Gary Hotvedt, Counsel, acting as Pre-Hearing Officer. The parties in attendance were:

BellSouth Telecommunications, Inc. – Bennett Ross, Esquire, 675 W. Peachtree Street, Suite 4300, Atlanta, GA 30375 and James Gotto, 333 Commerce Street, 22nd Floor, Nashville, TN 37201-3300.

AT&T Communications of the South Central States, Inc. – Val Sanford, Esquire, Gullett, Sanford, Robinson & Martin, 230 4th Ave., N., 3rd Fl., P. O. Box 198888, Nashville, TN 37219-8888

Sprint Communications Company, LP – Laura Sykora, 14111 Capital Boulevard, Wake Forrest, NC 27587-5900

AT&T's Motion To Dismiss

On July 24, 1998, AT&T filed a motion to disapprove BellSouth's tariff and dismiss this docket without prejudice. In his letter of July 7, 1999, General Counsel Collier reminded BellSouth that the motion of AT&T to disapprove and dismiss the proceeding had yet to be answered, and if a response was forthcoming, it should be filed by July 19, 1999. On July 19, 1999, BellSouth filed a response opposing AT&T's motion. After discussion by the parties at the Pre-Hearing Conference, as an alternative to dismissal, AT&T proposed that if BellSouth

would file its cost studies and any other documentation supporting its tariff filing before the parties served discovery requests, AT&T would withdraw such motion. Because BellSouth agreed to AT&T's request and has subsequently filed such cost studies, AT&T's motion is deemed withdrawn, and the Pre-Hearing Officer concludes that there is no reason to rule on the issues raised in that motion.

Schedule

Upon agreement of the parties, the Pre-Hearing Officer recommends the following schedule for the resolution of this docket:

August 9, 1999	BellSouth files cost studies and supporting documentation
August 19, 1999	Discovery Requests due
August 30, 1999	Discovery Responses due
September 13, 1999	BellSouth Direct Testimony due
September 21, 1999	AT&T Response Testimony due
September 28, 1999	BellSouth's Rebuttal Testimony due
October 12, 1999	Briefs due

The parties have submitted a protective order, which was entered on August 11, 1999. Upon agreement of the parties, discovery requests will be limited to thirty (30) requests, including sub-parts, although either party may seek leave from the Authority to serve additional discovery requests upon a showing of good cause. Further, the parties agreed that a hearing on oral testimony before the Authority is not required and that this case can be resolved on a "paper" record. As a result, the "hearing" will take place when this matter is placed before the

Directors at a regularly scheduled Authority Conference, and their decision will be based on such paper record.

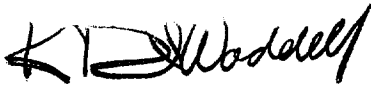
Recommendation

The Pre-Hearing Officer recommends that the Authority approve this Report and Recommendation, including the schedule as agreed upon by the parties.



Gary Hotvedt, Pre-Hearing Officer

ATTEST:



K. David Waddell, Executive Secretary